



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

VIA FAX (202-588-5020) and CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Melanie Sloan, Executive Director
Citizens for Responsibility and Ethics in Washington
1400 Eye Street, NW, Suite 450
Washington, DC 20005

AUG 29 2011

RE: MUR 6223

Dear Ms. Sloan:

This is in reference to the complaint you filed with the Federal Election Commission on October 20, 2009, concerning Edward St. John, *et al.* On April 13, 2010, the Commission found that there was reason to believe Edward St. John and St. John Properties, Inc. violated 2 U.S.C. §§ 441b(a) and 441f, and the Commission conducted an investigation in this matter. On August 24, 2011, a conciliation agreement signed by these respondents was accepted by the Commission.

Also on April 13, 2010, the Commission found that there was reason to believe that Robert Becker, Jeffrey Gish, Lawrence Maykrantz, Stanley Meros, H. Richard Williamson, and Gerard Wit violated 2 U.S.C. §§ 441b(a) and 441f, but after considering the circumstances of the matter, the Commission determined on April 5, 2011, to take no further action as to these respondents and closed the file as it pertained to them.

Finally, on April 13, 2010, the Commission found that there was no reason to believe Steele for Maryland, Inc. violated 2 U.S.C. §§ 441b(a) and 441f, provisions of the Federal Election Campaign Act of 1971, as amended, and closed the file as it pertained to it. Accordingly, the Commission closed the entire file in this matter on August 24, 2011.

Documents related to the case will be placed on the public record within 30 days. See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003) and Statement of Policy Regarding Placing First General Counsel's Reports on the Public Record, 74 Fed. Reg. 66,132 (Dec. 14, 2009). A copy of the agreement with Edward St. John and St. John Properties, Inc. is enclosed for your information. The Factual and Legal Analyses, which explain the Commission's findings, are also enclosed.

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Melanie Sloan, Executive Director
Citizens for Responsibility and Ethics in Washington
MUR 6223
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If you have any questions, please contact me at (202) 694-1650.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kamau Philbert', with a long horizontal stroke extending to the right.

Kamau Philbert
Attorney

Enclosures
Conciliation Agreement
Factual and Legal Analyses (8)

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BEFORE THE FEDERAL ELECTION COMMISSION

OFFICE OF GENERAL
COUNSEL

In the Matter of)
) MUR 6223
Edward St. John)
St. John Properties, Inc.)

CONCILIATION AGREEMENT

This matter was initiated by a signed, sworn, and notarized complaint by Melanie Sloan, Ann Weismann, and Citizens for Responsibility and Ethics in Washington. The Federal Election Commission ("Commission") found reason to believe that Edward St. John and St. John Properties, Inc. violated 2 U.S.C. §§ 441b(a) and 441f.

NOW, THEREFORE, the Commission and the Respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondents enter voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. St. John Properties, Inc. ("SJPI") is a privately held Maryland corporation that engages in real estate development and management.

2. Edward St. John is SJPI's chairman and owner.

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1 3. Sometime in May of 2006, the Maryland Republican State Central Committee
2 ("MRSCC") federal account solicited and Mr. St. John contributed \$10,000 to the MRSCC. The
3 \$10,000 amount was the maximum allowable contribution to the MRSCC during the 2006
4 election cycle.

5 4. In October 2006, the MRSCC contacted Mr. St. John for help in quickly raising
6 additional funds, and Mr. St. John agreed to try to raise approximately \$60,000.

7 5. Mr. St. John arranged for SJPI's Controller to solicit the six SJPI Senior Vice
8 Presidents.

9 6. SJPI's six Senior Vice Presidents each voluntarily made a \$10,000 contribution to the
10 MRSCC between October 31 and November 2, 2006.

11 7. In February 2007, in connection with calculating SJPI's annual profit-sharing bonuses,
12 Mr. St. John directed SJPI's Controller to reimburse each of the Senior Vice President's \$10,000
13 contributions by increasing their respective profit-sharing bonuses. The \$10,000 addition to each
14 of the profit-sharing bonuses was "grossed up" to account for the state and federal income taxes
15 the Senior Vice Presidents would pay on the added bonus amounts.

16 8. After the institution of a state investigation of SJPI-related political contributions to
17 state candidates, and prior to the complaint herein, the six SJPI Senior Vice Presidents
18 voluntarily repaid the part of their annual profit-sharing bonuses related to their contributions to
19 the MRSCC.

20 9. The Federal Election Campaign Act of 1971, as amended ("the Act"), prohibits a
21 corporation from making contributions from its general treasury funds in connection with any
22 election of any candidate for federal office. 2 U.S.C. § 441b(a).

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1 10. The Act also prohibits any officer or director of any corporation from consenting to
2 any contribution by the corporation. *Id.*

3 11. The Act further prohibits a person from making a contribution in the name of another
4 person. 2 U.S.C. § 441f.

5 12. The Commission's regulations prohibit knowingly helping or assisting any person in
6 making a contribution in the name of another. 11 C.F.R. § 110.4(b)(1)(iii).

7 13. Respondents contend that Mr. St. John had no intention of directly or indirectly
8 reimbursing the Senior Vice Presidents for any of their political contributions when he directed
9 the Controller to ask the Senior Vice Presidents if they would consider making a contribution to
10 the MRSCC. Respondents also contend that the Senior Vice Presidents voluntarily made
11 contributions to the MRSCC without any expectation of being reimbursed. Respondents further
12 contend that the idea to reimburse the Senior Vice Presidents arose for the first time in February
13 2007 during the review of the calculation of the Senior Vice Presidents' annual profit-sharing
14 bonuses. In November, 2007, acting on advice of counsel, the SJPI Senior Vice Presidents
15 returned to SJPI the full amount of their profit-sharing bonus payments that were attributable to
16 the campaign contributions.

17 14. Respondents contend that their aforesaid actions were taken in good faith and that
18 any violations of the Act were inadvertent and unintentional. The Commission has not found
19 reason to believe that Respondents or any SJPI officer committed a knowing and willful
20 violation of the Act.

21 V. In order to avoid the business disruption, costs, and expenses of potential litigation
22 with the Commission, Respondents will no longer contest the Commission's findings that:

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1 1. St. John Properties, Inc. used corporate funds to make contributions in the name of
2 another, in violation of 2 U.S.C. §§ 441b(a) and 441f.

3 2. Edward St. John consented to the use of corporate funds to make contributions in
4 the name of others and helped or assisted in making contributions in the name of another, in
5 violation of 2 U.S.C. §§ 441b(a) and 441f.

6 VI. 1. Respondents will jointly pay a civil penalty to the Federal Election Commission
7 in the amount of \$55,000, pursuant to 2 U.S.C. § 437g(a)(5)(A).

8 2. Respondents will cease and desist from violating 2 U.S.C. §§ 441b(a) and 441f.

9 VII. The Commission, on request of anyone filing a complaint under 2 U.S.C.
10 § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance
11 with this agreement. If the Commission believes that this agreement or any requirement thereof
12 has been violated, it may institute a civil action for relief in the United States District Court for
13 the District of Columbia.

14 VIII. This agreement shall become effective as of the date that all parties hereto have
15 executed same and the Commission has approved the entire agreement.

16 IX. Respondents shall have no more than 30 days from the date this agreement becomes
17 effective to comply with and implement the requirements contained in this agreement and to so
18 notify the Commission.

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X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

Christopher Hughey
Acting General Counsel

BY: Kathleen Guith
Kathleen Guith
Acting Associate General Counsel
for Enforcement

8-26-11
Date

FOR THE RESPONDENTS:

Edward St. John
(Name) Edward St. John
(Position) Chairman, St. John Properties, Inc.

7/29/2011
Date

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FEDERAL ELECTION COMMISSION**FACTUAL AND LEGAL ANALYSIS**

RESPONDENTS: Edward St. John
St. John Properties, Inc.

MUR: 6223

I. INTRODUCTION

This matter was generated by a complaint filed by Melanie Sloan, Ann Weismann, and Citizens for Responsibility and Ethics in Washington. *See* 2 U.S.C. § 437(g)(a)(1). The available information indicates that Edward St. John consented to reimbursing the contributions of six St. John Properties, Inc. ("SJPI") Senior Vice Presidents using corporate funds. The reimbursements involved six individual \$10,000 contributions the Vice Presidents made to the Maryland Republican State Central Committee.

II. FACTUAL AND LEGAL ANALYSIS

The Federal Election Campaign Act of 1971, as amended ("the Act"), prohibits corporations from making contributions from their general treasury funds in connection with any election of any candidate for federal office. 2 U.S.C. § 441b(a). It is also unlawful for any officer or director of any corporation to consent to any contribution by the corporation. *Id.*

The Act also prohibits a person from making a contribution in the name of another person, knowingly permitting his name to be used to effect such a contribution, or knowingly accepting a contribution made by one person in the name of another. 2 U.S.C. § 441f. The Commission's regulations further prohibit knowingly helping or assisting any person in making a contribution in the name of another. 11 C.F.R. § 110.4(b)(1)(iii). Those regulations specifically explain that attributing a contribution to one person, when another person is the actual source of the funds used for the contribution, is an example of making a contribution in the name of another. *See* 11 C.F.R. § 110.4(b)(2)(ii).

A. Factual Background

Edward St. John is the president and principal owner of SJPI, a privately-held real estate development company based in Maryland. SJPI Response at 4. Commission records show that Mr. St. John is an experienced political contributor, having made over \$150,000 in contributions to federal candidates and committees between 2000 and 2006, some of which were at the maximum legal contribution limit to those committees at the time. SJPI is also affiliated with, and may effectively control, several limited liability companies and partnerships, including Riverside Technology Park LLC and BWI Technology LLC. SJPI Response at 4-5. SJPI's Controller, Lori H. Rice, routinely monitored and recorded the political contributions of the company's executives and affiliated companies to avoid exceeding state or federal contribution limits. Ms. Rice Affidavit ¶ 5.

During the 2006 election cycle, Mr. St. John recruited SJPI's senior officers to make political contributions in support of Michael Steele's campaign for U.S. Senate. SJPI Response at 6-7. SJPI's six Senior Vice Presidents - Lawrence Maykrantz, Robert Becker, Jeffrey Gish, Stanley Meros, H. Richard Williamson, and Gerard Wit ("the Vice Presidents") - responded with contributions. On December 30, 2005, SJPI affiliates, Riverside Technology Park LLC and BWI Technology LLC, each made a \$2,500 contribution to Steele for Maryland, Inc. ("the Steele Committee") that were apportioned between primary and general elections. SJPI Response at 5. Pursuant to the Commission's regulations for LLC contributions, the Steele Committee also attributed the LLC contributions to eight specified members - Mr. St. John, the Vice Presidents, and an additional SJPI senior executive. See 11 C.F.R. § 110.1(g). Accordingly, two primary election contributions in the amount of \$262.50 and two general election contributions in the

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1 amount of \$50 were attributed to each of eight individual members. It does not appear that any
2 of the LLC contributions were reimbursed.

3 In October 2006, the Vice Presidents each made individual \$10,000 contributions to the
4 Maryland Republican State Central Committee ("MRSCC").¹ In February 2007, Mr. St. John
5 directed SJPI's Controller to include each of the Vice Presidents' \$10,000 contributions to
6 MRSCC as a factor in calculating their year-end bonuses. The total bonuses were then "grossed
7 up" to account for appropriate state and federal income taxes. Each of the Vice Presidents repaid
8 to SJPI the reimbursements of their \$10,000 MRSCC contributions in November 2007 during a
9 pending investigation by Maryland State Prosecutor's Office regarding contributions that SJPI-
10 affiliated companies made to state and local candidates. SJPI's Response at 9-10.

11 **B. Analysis**

12 The available information shows that Mr. St. John admittedly directed the
13 reimbursements. Mr. St. John recruited the senior executives to make their \$10,000 MRSCC
14 contributions with the expectation of reimbursement.² He appears to have directed SJPI's
15 Controller, Ms. Rice, to record the contributions and then directed her to reimburse the
16 contributions with SJPI funds through each Vice President's 2007 year-end bonus. While all of
17 the Vice Presidents were prior political contributors, none had made a prior contribution greater
18 than \$2,000, with most ranging between \$250 and \$1,000. The fact that the reimbursements

¹ Commission records show that Mr. St. John also made a similar \$10,000 contribution to MRSCC that was addressed neither in the complaint nor in the SJPI joint response.

² The complaint was based on evidence of similar reimbursements cited in a Maryland State Prosecutor's press release of a settlement with Mr. St. John for reimbursing the officers' contributions to a state and a local candidate with SJPI's funds. In the settlement that was publicized on June 13, 2008, Mr. St. John admitted to civil violations for the reimbursements, agreed to pay a \$55,000 fine, and donated another \$55,000 to a charitable organization. The Maryland State Prosecutor's press release specifically concluded that the Vice Presidents fully expected reimbursement of their state campaign contributions.

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1 were made several months after the contributions does not undermine that the contributions
2 were, in fact, reimbursed.³ Further, that the reimbursements were repaid to the company by the
3 Vice Presidents does not negate the violations, particularly in this instance where the repayments
4 were influenced by an impending state investigation. Reversing the transaction is akin to
5 returning an illegal contribution; while it does constitute mitigating corrective action, it does not
6 erase the violation.⁴ As a result of the reimbursements, SJPI became the true source of each Vice
7 President's MRSCC contribution, and Mr. St. John conspired to the reimbursements and helped
8 or assisted in making contributions in the name of another, in violation of sections 441b(a) and
9 441f of the Act.

10 In sum, the available information indicates that Mr. St. John and SJPI made the
11 reimbursements. Therefore, there is reason to believe Mr. St. John and St. John Properties, Inc.
12 violated 2 U.S.C. §§ 441b(a) and 441f.

13 **C. Possible Knowing and Willful Violations**

14
15 The Act addresses violations of law that are knowing and willful. *See* 2 U.S.C.
16 §§ 437g(a)(5)(B) and 437g(d). The knowing and willful standard requires knowledge that one is
17 violating the law. *Federal Election Commission v. John A. Drameci for Congress Committee*,
18 640 F. Supp. 985, 987 (D. N.J. 1986). A knowing and willful violation may be established "by
19 proof that the defendant acted deliberately and with knowledge that the representation was

³ The Commission has previously found violations of 2 U.S.C. §§ 441b(a) and 441f where employees' contributions were later reimbursed through year-end company bonuses. *See, e.g.*, MUR 5357 (Centex Corporation) Commission Certification dated September 12, 2003 (Commission found reason to believe and later conciliated violations in which the company and its CEO violated §§ 441b(a) and 441f where employees sent copies of contribution checks to company officers, and their contributions were reimbursed in year-end bonuses).

⁴ *See, e.g.*, MUR 5643 (Carter's, Inc) Commission Certification dated January 25, 2005 (Commission found reason to believe as to corporation and corporate officer who reimbursed contributions with corporate funds though the conduits had repaid the reimbursements prior to the company filing a *sua sponte* submission); MUR 5357 (Centex Corporation) Commission Certification dated September 12, 2003 (same).

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1 false.” *United States v. Hopkins*, 916 F.2d 207, 214 (5th Cir. 1990). Evidence does not have to
2 show that the defendant had a specific knowledge of the regulations; an inference of a knowing
3 and willful act may be drawn from the defendant’s scheme to disguise the source of funds used
4 in illegal activities. *Id.* at 213-15.

5 The information presented raises the question of whether Mr. St. John and SJPI
6 reimbursed contributions in knowing and willful violation of the law. Mr. St. John is an
7 experienced political contributor. The level and extent of Mr. St. John’s prior contributions
8 (some of which were at the lawful maximum limits), and the fact that the Vice Presidents’
9 \$10,000 contributions were all at the maximum legal limit to a state party committee, suggest
10 that Mr. St. John (and SJPI) had specific knowledge of the Act’s contribution limits. In addition,
11 though two SJPI affiliate LLCs made contributions (to the Steele Committee), it does not appear
12 that SJPI attempted to make any contributions directly with corporate funds, indicating at least
13 some level of awareness of the prohibitions on corporate contributions. The fact that the
14 reimbursements were not publicly identified as such, but were labeled only as being part of
15 bonuses, could be viewed as an attempt to conceal the fact that reimbursements had been made.
16 Accordingly, there is information in the current record which could be viewed as suggesting that
17 the violations were knowing and willful, and an investigation is needed to resolve this issue.

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Robert Becker

MUR: 6223

I. INTRODUCTION

This matter was generated by a complaint filed by Melanie Sloan, Ann Weismann, and Citizens for Responsibility and Ethics in Washington. *See* 2 U.S.C. § 437(g)(a)(1). The available information indicates that Robert Becker permitted his name to be used to make corporate contributions in the name of another and consented to the making of corporate contributions. Specifically, Robert Becker received reimbursement (through his year end bonus) of the \$10,000 contribution he made to the Maryland Republican State Central Committee ("MRSCC").

II. FACTUAL AND LEGAL ANALYSIS

The Federal Election Campaign Act of 1971, as amended ("the Act"), prohibits corporations from making contributions from their general treasury funds in connection with any election of any candidate for federal office. 2 U.S.C. § 441b(a). It is also unlawful for any officer or director of any corporation to consent to any contribution by the corporation. *Id.*

The Act also prohibits a person from making a contribution in the name of another person, and from knowingly permitting his name to be used to effect such a contribution. 2 U.S.C. § 441f. The Commission's regulations specifically explain that attributing a contribution to one person, when another person is the actual source of the funds used for the contribution, is an example of making a contribution in the name of another. *See* 11 C.F.R. § 110.4(b)(2)(ii).

1 Robert Becker is a Senior Vice President of St. John Properties, Inc., ("SJPI") a privately-
2 held real estate development company based in Maryland. SJPI Response at 4. During the 2006
3 election cycle, Edward St. John, president and principal owner of SJPI, recruited Robert Becker
4 and other senior executives to make political contributions in support of Michael Steele's
5 campaign for U.S. Senate. SJPI Response at 6-7. SJPI's Controller, Lori H. Rice, routinely
6 monitored and recorded the political contributions of SJPI's senior executives and affiliated
7 companies to avoid exceeding state or federal contribution limits. Ms. Rice Affidavit ¶ 5.

8 In October 2006, Robert Becker made a \$10,000 contribution to the MRSCC along with
9 other senior executives in response to Mr. St. John's requests. SJPI Response at 6-7. In
10 February 2007, Mr. St. John directed Ms. Rice, to include Robert Becker's \$10,000 contribution
11 to MRSCC, as a factor in calculating his year-end bonus. The total bonus was then "grossed up"
12 to account for appropriate state and federal income taxes. Robert Becker repaid to SJPI the
13 reimbursements of his \$10,000 MRSCC contribution in November 2007 during a pending
14 investigation by the Maryland State Prosecutor's Office regarding contributions SJPI-affiliated
15 companies made to Maryland state and local candidates. SJPI's Response at 9-10.

16 Robert Becker was reimbursed for his \$10,000 contribution to MRSCC, and the available
17 information suggests that he expected the reimbursement.¹ While Robert Becker and other
18 senior Vice Presidents contributors were prior political contributors, none had made a prior
19 federal contribution greater than \$2,000, with most ranging between \$250 and \$1,000.
20 Furthermore, the fact that the reimbursement was made several months after the contribution

¹ Robert Becker and other senior Vice Presidents were also reimbursed with corporate funds for contributions they made to a state and a local candidate. In a civil settlement with Mr. St. John that was publicized in a press release on June 13, 2008, Maryland State Prosecutor's specifically concluded that the SJPI senior Vice President contributors fully expected reimbursement of their state campaign contributions.

1 does not undermine that the contribution was, in fact, reimbursed.² Finally, that the
2 reimbursement was repaid to the company by Robert Becker does not negate the violation,
3 particularly in this instance where the repayment was influenced by an impending state
4 investigation. Reversing the transaction is akin to returning an illegal contribution; while it does
5 constitute mitigating corrective action, it does not erase the violation.³ As a result of the
6 reimbursements, SJPI became the true source of Robert Becker's MRSCC contribution, and
7 Robert Becker knowingly permitted his name to be used to effect a contribution in the name of
8 another, in violation of section 441f of the Act.

9 Based on his corporate position, Robert Becker is a senior officer of SJPI. Robert Becker
10 also has a prior history of making political contributions. By accepting reimbursement from
11 SJPI for his \$10,000 contribution, Robert Becker consented to the making of a corporate
12 contribution through the reimbursement in violation of 2 U.S.C. §§ 441b(a). *See* MUR 5818
13 (Fieger) (Commission found probable cause to believe that a partner who was
14 Secretary/Treasurer of a law firm violated §§ 441b(a) and 441f) Commission Certification dated
15 August 26, 2009; *see also* MUR 5765 (Crop Production Services, Inc.) (Commission found
16 reason to believe that a Vice President, three managers, and two of their spouses violated § 441f
17 as conduits, and conciliated with the Vice President and managers but took no further action
18 regarding the spouses).

² The Commission has previously found violations of 2 U.S.C. §§ 441b(a) and 441f where employees' contributions were later reimbursed through year-end company bonuses. *See, e.g.*, MUR 5357 (Centex Corporation) Commission Certification dated September 12, 2003 (Commission found reason to believe and later conciliated violations in which the company and its CEO violated §§ 441b(a) and 441f where employees sent copies of contribution checks to company officers, and their contributions were reimbursed in year-end bonuses).

³ *See, e.g.*, MUR 5643 (Carter's, Inc) Commission Certification dated January 25, 2005 (Commission found reason to believe as to corporation and corporate officer who reimbursed contributions with corporate funds though the conduits had repaid the reimbursements prior to the company filing a *sua sponte* submission); MUR 5357 (Centex Corporation) Commission Certification dated September 12, 2003 (same).

1 Therefore, there is reason to believe that Robert Becker violated 2 U.S.C. §§ 441b(a) and
2 441f.⁴

⁴ On December 30, 2005, Robert Becker also made a total of \$613 in the form of two contributions of \$312.50 in contributions to Steele for Maryland, Inc. that were attributed to him as a partner of two SJPI affiliates - Riverside Technology Park LLC and BWI Technology LLC. However, those contributions were made with funds from the respective partnerships and do not appear to have been reimbursed.

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Jeffrey Gish

MUR: 6223

I. INTRODUCTION

This matter was generated by a complaint filed by Melanie Sloan, Ann Weismann, and Citizens for Responsibility and Ethics in Washington. *See* 2 U.S.C. § 437(g)(a)(1). The available information indicates that Jeffrey Gish permitted his name to be used to make corporate contributions in the name of another and consented to the making of corporate contributions. Specifically, Jeffrey Gish received reimbursement (through his year end bonus) of the \$10,000 contribution he made to the Maryland Republican State Central Committee ("MRSCC").

II. FACTUAL AND LEGAL ANALYSIS

The Federal Election Campaign Act of 1971, as amended ("the Act"), prohibits corporations from making contributions from their general treasury funds in connection with any election of any candidate for federal office. 2 U.S.C. § 441b(a). It is also unlawful for any officer or director of any corporation to consent to any contribution by the corporation. *Id.*

The Act also prohibits a person from making a contribution in the name of another person, and from knowingly permitting his name to be used to effect such a contribution. 2 U.S.C. § 441f. The Commission's regulations specifically explain that attributing a contribution to one person, when another person is the actual source of the funds used for the contribution, is an example of making a contribution in the name of another. *See* 11 C.F.R. § 110.4(b)(2)(ii).

Jeffrey Gish is a Senior Vice President of St. John Properties, Inc., ("SJPI") a privately-held real estate development company based in Maryland. SJPI Response at 4. During the 2006

1 election cycle, Edward St. John, president and principal owner of SJPI, recruited Jeffrey Gish
2 and other senior executives to make political contributions in support of Michael Steele's
3 campaign for U.S. Senate. SJPI Response at 6-7. SJPI's Controller, Lori H. Rice, routinely
4 monitored and recorded the political contributions of SJPI's senior executives and affiliated
5 companies to avoid exceeding state or federal contribution limits. Ms. Rice Affidavit ¶ 5.

6 In October 2006, Jeffrey Gish made a \$10,000 contribution to the MRSCC along with
7 other senior executives in response to Mr. St. John's requests. SJPI Response at 6-7. In
8 February 2007, Mr. St. John directed Ms. Rice, to include Jeffrey Gish's \$10,000 contribution to
9 MRSCC, as a factor in calculating his year-end bonus. The total bonus was then "grossed up" to
10 account for appropriate state and federal income taxes. Jeffrey Gish repaid to SJPI the
11 reimbursements of his \$10,000 MRSCC contribution in November 2007 during a pending
12 investigation by the Maryland State Prosecutor's Office regarding contributions SJPI-affiliated
13 companies made to Maryland state and local candidates. SJPI's Response at 9-10.

14 Jeffrey Gish was reimbursed for his \$10,000 contribution to MRSCC, and the available
15 information suggests that he expected the reimbursement.¹ While Jeffrey Gish and other senior
16 Vice Presidents contributors were prior political contributors, none had made a prior federal
17 contribution greater than \$2,000, with most ranging between \$250 and \$1,000. Furthermore, the
18 fact that the reimbursement was made several months after the contribution does not undermine

¹ Jeffrey Gish and other senior Vice Presidents were also reimbursed with corporate funds for contributions they made to a state and a local candidate. In a civil settlement with Mr. St. John that was publicized in a press release on June 13, 2008, Maryland State Prosecutor's specifically concluded that the SJPI senior Vice President contributors fully expected reimbursement of their state campaign contributions.

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1 that the contribution was, in fact, reimbursed.² Finally, that the reimbursement was repaid to the
2 company by Jeffrey Gish does not negate the violation, particularly in this instance where the
3 repayment was influenced by an impending state investigation. Reversing the transaction is akin
4 to returning an illegal contribution; while it does constitute mitigating corrective action, it does
5 not erase the violation.³ As a result of the reimbursements, SJPI became the true source of
6 Jeffrey Gish's MRSCC contribution, and Jeffrey Gish knowingly permitted his name to be used
7 to effect a contribution in the name of another, in violation of section 441f of the Act.

8 Based on his corporate position, Jeffrey Gish is a senior officer of SJPI. Jeffrey Gish also
9 has a prior history of making political contributions. By accepting reimbursement from SJPI for
10 his \$10,000 contribution, Jeffrey Gish consented to the making of a corporate contribution
11 through the reimbursement in violation of 2 U.S.C. §§ 441b(a). *See* MUR 5818 (Fieger)
12 (Commission found probable cause to believe that a partner who was Secretary/Treasurer of a
13 law firm violated §§ 441b(a) and 441f) Commission Certification dated August 26, 2009; *see*
14 *also* MUR 5765 (Crop Production Services, Inc.) (Commission found reason to believe that a
15 Vice President, three managers, and two of their spouses violated § 441f as conduits, and
16 conciliated with the Vice President and managers but took no further action regarding the
17 spouses).

² The Commission has previously found violations of 2 U.S.C. §§ 441b(a) and 441f where employees' contributions were later reimbursed through year-end company bonuses. *See, e.g.*, MUR 5357 (Centex Corporation) Commission Certification dated September 12, 2003 (Commission found reason to believe and later conciliated violations in which the company and its CEO violated §§ 441b(a) and 441f where employees sent copies of contribution checks to company officers, and their contributions were reimbursed in year-end bonuses).

³ *See, e.g.*, MUR 5643 (Carter's, Inc) Commission Certification dated January 25, 2005 (Commission found reason to believe as to corporation and corporate officer who reimbursed contributions with corporate funds though the conduits had repaid the reimbursements prior to the company filing a *sua sponte* submission); MUR 5357 (Centex Corporation) Commission Certification dated September 12, 2003 (same).

1 Therefore, there is reason to believe that Jeffrey Gish violated 2 U.S.C. §§ 441b(a) and
2 441f.⁴

⁴ On December 30, 2005, Jeffrey Gish also made a total of \$613 in the form of two contributions of \$312.50 in contributions to Steele for Maryland, Inc. that were attributed to him as a partner of two SJPI affiliates - Riverside Technology Park LLC and BWI Technology LLC. However, those contributions were made with funds from the respective partnerships and do not appear to have been reimbursed.

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Lawrence Maykrantz

MUR: 6223

I. INTRODUCTION

This matter was generated by a complaint filed by Melanie Sloan, Ann Weismann, and Citizens for Responsibility and Ethics in Washington. *See* 2 U.S.C. § 437(g)(a)(1). The available information indicates that Lawrence Maykrantz permitted his name to be used to make corporate contributions in the name of another and consented to the making of corporate contributions. Specifically, Lawrence Maykrantz received reimbursement (through his year end bonus) of the \$10,000 contribution he made to the Maryland Republican State Central Committee ("MRSCC").

II. FACTUAL AND LEGAL ANALYSIS

The Federal Election Campaign Act of 1971, as amended ("the Act"), prohibits corporations from making contributions from their general treasury funds in connection with any election of any candidate for federal office. 2 U.S.C. § 441b(a). It is also unlawful for any officer or director of any corporation to consent to any contribution by the corporation. *Id.*

The Act also prohibits a person from making a contribution in the name of another person, and from knowingly permitting his name to be used to effect such a contribution. 2 U.S.C. § 441f. The Commission's regulations specifically explain that attributing a contribution to one person, when another person is the actual source of the funds used for the contribution, is an example of making a contribution in the name of another. *See* 11 C.F.R. § 110.4(b)(2)(ii).

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1 Lawrence Maykrantz is a Senior Vice President of St. John Properties, Inc., ("SJPI") a
2 privately-held real estate development company based in Maryland. SJPI Response at 4. During
3 the 2006 election cycle, Edward St. John, president and principal owner of SJPI, recruited
4 Lawrence Maykrantz and other senior executives to make political contributions in support of
5 Michael Steele's campaign for U.S. Senate. SJPI Response at 6-7. SJPI's Controller, Lori H.
6 Rice, routinely monitored and recorded the political contributions of SJPI's senior executives
7 and affiliated companies to avoid exceeding state or federal contribution limits. Ms. Rice
8 Affidavit ¶ 5.

9 In October 2006, Lawrence Maykrantz made a \$10,000 contribution to the MRSCC along
10 with other senior executives in response to Mr. St. John's requests. SJPI Response at 6-7. In
11 February 2007, Mr. St. John directed Ms. Rice, to include Lawrence Maykrantz's \$10,000
12 contribution to MRSCC, as a factor in calculating his year-end bonus. The total bonus was then
13 "grossed up" to account for appropriate state and federal income taxes. Lawrence Maykrantz
14 repaid to SJPI the reimbursements of his \$10,000 MRSCC contribution in November 2007
15 during a pending investigation by the Maryland State Prosecutor's Office regarding contributions
16 SJPI-affiliated companies made to Maryland state and local candidates. SJPI's Response at 9-
17 10.

18 Lawrence Maykrantz was reimbursed for his \$10,000 contribution to MRSCC, and the
19 available information suggests that he expected the reimbursement.¹ While Lawrence Maykrantz
20 and other senior Vice Presidents contributors were prior political contributors, none had made a
21 prior federal contribution greater than \$2,000, with most ranging between \$250 and \$1,000.

¹ Lawrence Maykrantz and other senior Vice Presidents were also reimbursed with corporate funds for contributions they made to a state and a local candidate. In a civil settlement with Mr. St. John that was publicized in a press release on June 13, 2008, Maryland State Prosecutor's specifically concluded that the SJPI senior Vice President contributors fully expected reimbursement of their state campaign contributions.

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1 Furthermore, the fact that the reimbursement was made several months after the contribution
2 does not undermine that the contribution was, in fact, reimbursed.² Finally, that the
3 reimbursement was repaid to the company by Lawrence Maykrantz does not negate the violation,
4 particularly in this instance where the repayment was influenced by an impending state
5 investigation. Reversing the transaction is akin to returning an illegal contribution; while it does
6 constitute mitigating corrective action, it does not erase the violation.³ As a result of the
7 reimbursements, SJPI became the true source of Lawrence Maykrantz's MRSCC contribution,
8 and Lawrence Maykrantz knowingly permitted his name to be used to effect a contribution in the
9 name of another, in violation of section 441f of the Act.

10 Based on his corporate position, Lawrence Maykrantz is a senior officer of SJPI.
11 Lawrence Maykrantz also has a prior history of making political contributions. By accepting
12 reimbursement from SJPI for his \$10,000 contribution, Lawrence Maykrantz consented to the
13 making of a corporate contribution through the reimbursement in violation of 2 U.S.C.
14 §§ 441b(a). *See* MUR 5818 (Fieger) (Commission found probable cause to believe that a partner
15 who was Secretary/Treasurer of a law firm violated §§ 441b(a) and 441f) Commission
16 Certification dated August 26, 2009; *see also* MUR 5765 (Crop Production Services, Inc.)
17 (Commission found reason to believe that a Vice President, three managers, and two of their

² The Commission has previously found violations of 2 U.S.C. §§ 441b(a) and 441f where employees' contributions were later reimbursed through year-end company bonuses. *See, e.g.*, MUR 5357 (Centex Corporation) Commission Certification dated September 12, 2003 (Commission found reason to believe and later conciliated violations in which the company and its CEO violated §§ 441b(a) and 441f where employees sent copies of contribution checks to company officers, and their contributions were reimbursed in year-end bonuses).

³ *See, e.g.*, MUR 5643 (Carter's, Inc) Commission Certification dated January 25, 2005 (Commission found reason to believe an to corporation and corporate officer who reimbursed contributions with corporate funds though the conduits had repaid the reimbursements prior to the company filing a *sua sponte* submission); MUR 5357 (Centex Corporation) Commission Certification dated September 12, 2003 (same).

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1 spouses violated § 441f as conduits, and conciliated with the Vice President and managers but
2 took no further action regarding the spouses).

3 Therefore, there is reason to believe that Lawrence Maykrantz violated 2 U.S.C.

4 §§ 441b(a) and 441f.⁴

⁴ On December 30, 2005, Lawrence Maykrantz also made a total of \$613 in the form of two contributions of \$312.50 in contributions to Steele for Maryland, Inc. that were attributed to him as a partner of two SJPI affiliates - Riverside Technology Park LLC and BWI Technology LLC. However, those contributions were made with funds from the respective partnerships and do not appear to have been reimbursed.

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Stanley Meros

MUR: 6223

I. INTRODUCTION

This matter was generated by a complaint filed by Melanie Sloan, Ann Weismann, and Citizens for Responsibility and Ethics in Washington. *See* 2 U.S.C. § 437(g)(a)(1). The available information indicates that Stanley Meros permitted his name to be used to make corporate contributions in the name of another and consented to the making of corporate contributions. Specifically, Stanley Meros received reimbursement (through his year end bonus) of the \$10,000 contribution he made to the Maryland Republican State Central Committee ("MRSCC").

II. FACTUAL AND LEGAL ANALYSIS

The Federal Election Campaign Act of 1971, as amended ("the Act"), prohibits corporations from making contributions from their general treasury funds in connection with any election of any candidate for federal office. 2 U.S.C. § 441b(a). It is also unlawful for any officer or director of any corporation to consent to any contribution by the corporation. *Id.*

The Act also prohibits a person from making a contribution in the name of another person, and from knowingly permitting his name to be used to effect such a contribution. 2 U.S.C. § 441f. The Commission's regulations specifically explain that attributing a contribution to one person, when another person is the actual source of the funds used for the contribution, is an example of making a contribution in the name of another. *See* 11 C.F.R. § 110.4(b)(2)(ii).

1 Stanley Meros is a Senior Vice President of St. John Properties, Inc., ("SJPI") a privately-
2 held real estate development company based in Maryland. SJPI Response at 4. During the 2006
3 election cycle, Edward St. John, president and principal owner of SJPI, recruited Stanley Meros
4 and other senior executives to make political contributions in support of Michael Steele's
5 campaign for U.S. Senate. SJPI Response at 6-7. SJPI's Controller, Lori H. Rice, routinely
6 monitored and recorded the political contributions of SJPI's senior executives and affiliated
7 companies to avoid exceeding state or federal contribution limits. Ms. Rice Affidavit ¶ 5.

8 In October 2006, Stanley Meros made a \$10,000 contribution to the MRSCC along with
9 other senior executives in response to Mr. St. John's requests. SJPI Response at 6-7. In
10 February 2007, Mr. St. John directed Ms. Rice, to include Stanley Meros's \$10,000 contribution
11 to MRSCC, as a factor in calculating his year-end bonus. The total bonus was then "grossed up"
12 to account for appropriate state and federal income taxes. Stanley Meros repaid to SJPI the
13 reimbursements of his \$10,000 MRSCC contribution in November 2007 during a pending
14 investigation by the Maryland State Prosecutor's Office regarding contributions SJPI-affiliated
15 companies made to Maryland state and local candidates. SJPI's Response at 9-10.

16 Stanley Meros was reimbursed for his \$10,000 contribution to MRSCC, and the available
17 information suggests that he expected the reimbursement.¹ While Stanley Meros and other
18 senior Vice Presidents contributors were prior political contributors, none had made a prior
19 federal contribution greater than \$2,000, with most ranging between \$250 and \$1,000.
20 Furthermore, the fact that the reimbursement was made several months after the contribution

¹ Stanley Meros and other senior Vice Presidents were also reimbursed with corporate funds for contributions they made to a state and a local candidate. In a civil settlement with Mr. St. John that was publicized in a press release on June 13, 2008, Maryland State Prosecutor's specifically concluded that the SJPI senior Vice President contributors fully expected reimbursement of their state campaign contributions.

1 does not undermine that the contribution was, in fact, reimbursed.² Finally, that the
2 reimbursement was repaid to the company by Stanley Meros does not negate the violation,
3 particularly in this instance where the repayment was influenced by an impending state
4 investigation. Reversing the transaction is akin to returning an illegal contribution; while it does
5 constitute mitigating corrective action, it does not erase the violation.³ As a result of the
6 reimbursements, SJPI became the true source of Stanley Meros's MRSCC contribution, and
7 Stanley Meros knowingly permitted his name to be used to affect a contribution in the name of
8 another, in violation of section 441f of the Act.

9 Based on his corporate position, Stanley Meros is a senior officer of SJPI. Stanley Meros
10 also has a prior history of making political contributions. By accepting reimbursement from
11 SJPI for his \$10,000 contribution, Stanley Meros consented to the making of a corporate
12 contribution through the reimbursement in violation of 2 U.S.C. §§ 441b(a). See MUR 5818
13 (Fieger) (Commission found probable cause to believe that a partner who was
14 Secretary/Treasurer of a law firm violated §§ 441b(a) and 441f) Commission Certification dated
15 August 26, 2009; see also MUR 5765 (Crop Production Services, Inc.) (Commission found
16 reason to believe that a Vice President, three managers, and two of their spouses violated § 441f
17 as conduits, and conciliated with the Vice President and managers but took no further action
18 regarding the spouses).

² The Commission has previously found violations of 2 U.S.C. §§ 441b(a) and 441f where employees' contributions were later reimbursed through year-end company bonuses. See, e.g., MUR 5357 (Centex Corporation) Commission Certification dated September 12, 2003 (Commission found reason to believe and later conciliated violations in which the company and its CEO violated §§ 441b(a) and 441f where employees sent copies of contribution checks to company officers, and their contributions were reimbursed in year-end bonuses).

³ See, e.g., MUR 5643 (Carter's, Inc) Commission Certification dated January 25, 2005 (Commission found reason to believe as to corporation and corporate officer who reimbursed contributions with corporate funds though the conduits had repaid the reimbursements prior to the company filing a *sua sponte* submission); MUR 5357 (Centex Corporation) Commission Certification dated September 12, 2003 (same).

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1 Therefore, there is reason to believe that Stanley Meros violated 2 U.S.C. §§ 441b(a) and
2 441f.⁴

⁴ On December 30, 2005, Stanley Meros also made a total of \$613 in the form of two contributions of \$312.50 in contributions to Steele for Maryland, Inc. that were attributed to him as a partner of two SJPI affiliates - Riverside Technology Park LLC and BWI Technology LLC. However, those contributions were made with funds from the respective partnerships and do not appear to have been reimbursed.

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: H. Richard Williamson

MUR: 6223

I. INTRODUCTION

This matter was generated by a complaint filed by Melanie Sloan, Ann Weismann, and Citizens for Responsibility and Ethics in Washington. *See* 2 U.S.C. § 437(g)(a)(1). The available information indicates that H. Richard Williamson permitted his name to be used to make corporate contributions in the name of another and consented to the making of corporate contributions. Specifically, H. Richard Williamson received reimbursement (through his year end bonus) of the \$10,000 contribution he made to the Maryland Republican State Central Committee ("MRSCC").

II. FACTUAL AND LEGAL ANALYSIS

The Federal Election Campaign Act of 1971, as amended ("the Act"), prohibits corporations from making contributions from their general treasury funds in connection with any election of any candidate for federal office. 2 U.S.C. § 441b(a). It is also unlawful for any officer or director of any corporation to consent to any contribution by the corporation. *Id.*

The Act also prohibits a person from making a contribution in the name of another person, and from knowingly permitting his name to be used to effect such a contribution. 2 U.S.C. § 441f. The Commission's regulations specifically explain that attributing a contribution to one person, when another person is the actual source of the funds used for the contribution, is an example of making a contribution in the name of another. *See* 11 C.F.R. § 110.4(b)(2)(ii).

1 H. Richard Williamson is a Senior Vice President of St. John Properties, Inc., ("SJPI") a
2 privately-held real estate development company based in Maryland. SJPI Response at 4. During
3 the 2006 election cycle, Edward St. John, president and principal owner of SJPI, recruited
4 H. Richard Williamson and other senior executives to make political contributions in support of
5 Michael Steele's campaign for U.S. Senate. SJPI Response at 6-7. SJPI's Controller, Lori
6 H. Rice, routinely monitored and recorded the political contributions of SJPI's senior executives
7 and affiliated companies to avoid exceeding state or federal contribution limits. Ms. Rice
8 Affidavit ¶ 5.

9 In October 2006, H. Richard Williamson made a \$10,000 contribution to the MRSCC
10 along with other senior executives in response to Mr. St. John's requests. SJPI Response at 6-7.
11 In February 2007, Mr. St. John directed Ms. Rice, to include H. Richard Williamson's \$10,000
12 contribution to MRSCC, as a factor in calculating his year-end bonus. The total bonus was then
13 "grossed up" to account for appropriate state and federal income taxes. H. Richard Williamson
14 repaid to SJPI the reimbursements of his \$10,000 MRSCC contribution in November 2007
15 during a pending investigation by the Maryland State Prosecutor's Office regarding contributions
16 SJPI-affiliated companies made to Maryland state and local candidates. SJPI's Response at 9-
17 10.

18 H. Richard Williamson was reimbursed for his \$10,000 contribution to MRSCC, and the
19 available information suggests that he expected the reimbursement.¹ While H. Richard
20 Williamson and other senior Vice Presidents contributors were prior political contributors, none
21 had made a prior federal contribution greater than \$2,000, with most ranging between \$250 and

¹ H. Richard Williamson and other senior Vice Presidents were also reimbursed with corporate funds for contributions they made to a state and a local candidate. In a civil settlement with Mr. St. John that was publicized in a press release on June 13, 2008, Maryland State Prosecutor's specifically concluded that the SJPI senior Vice President contributors fully expected reimbursement of their state campaign contributions.

1 \$1,000. Furthermore, the fact that the reimbursement was made several months after the
2 contribution does not undermine that the contribution was, in fact, reimbursed.² Finally, that the
3 reimbursement was repaid to the company by H. Richard Williamson does not negate the
4 violation, particularly in this instance where the repayment was influenced by an impending state
5 investigation. Reversing the transaction is akin to returning an illegal contribution; while it does
6 constitute mitigating corrective action, it does not erase the violation.³ As a result of the
7 reimbursements, SJPI became the true source of H. Richard Williamson's MRSCC contribution,
8 and H. Richard Williamson knowingly permitted his name to be used to effect a contribution in
9 the name of another, in violation of section 441f of the Act.

10 Based on his corporate position, H. Richard Williamson is a senior officer of SJPI.
11 H. Richard Williamson also has a prior history of making political contributions. By accepting
12 reimbursement from SJPI for his \$10,000 contribution, H. Richard Williamson consented to the
13 making of a corporate contribution through the reimbursement in violation of 2 U.S.C.
14 §§ 441b(a). *See* MUR 5818 (Fieger) (Commission found probable cause to believe that a partner
15 who was Secretary/Treasurer of a law firm violated §§ 441b(a) and 441f) Commission
16 Certification dated August 26, 2009; *see also* MUR 5765 (Crop Production Services, Inc.)
17 (Commission found reason to believe that a Vice President, three managers, and two of their

² The Commission has previously found violations of 2 U.S.C. §§ 441b(a) and 441f where employees' contributions were later reimbursed through year-end company bonuses. *See, e.g.*, MUR 5357 (Centex Corporation) Commission Certification dated September 12, 2003 (Commission found reason to believe and later conciliated violations in which the company and its CEO violated §§ 441b(a) and 441f where employees sent copies of contribution checks to company officers, and their contributions were reimbursed in year-end bonuses).

³ *See, e.g.*, MUR 5543 (Carter's, Inc) Commission Certification dated January 25, 2005 (Commission found reason to believe as to corporation and corporate officer who reimbursed contributions with corporate funds though the conduits had repaid the reimbursements prior to the company filing a *sua sponte* submission); MUR 5357 (Centex Corporation) Commission Certification dated September 12, 2003 (*sanue*).

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Gerard Wit

MUR: 6223

I. INTRODUCTION

This matter was generated by a complaint filed by Melanie Sloan, Ann Weismann, and Citizens for Responsibility and Ethics in Washington. *See* 2 U.S.C. § 437(g)(a)(1). The available information indicates that Gerard Wit permitted his name to be used to make corporate contributions in the name of another and consented to the making of corporate contributions. Specifically, Gerard Wit received reimbursement (through his year end bonus) of the \$10,000 contribution he made to the Maryland Republican State Central Committee ("MRSCC").

II. FACTUAL AND LEGAL ANALYSIS

The Federal Election Campaign Act of 1971, as amended ("the Act"), prohibits corporations from making contributions from their general treasury funds in connection with any election of any candidate for federal office. 2 U.S.C. § 441b(a). It is also unlawful for any officer or director of any corporation to consent to any contribution by the corporation. *Id.*

The Act also prohibits a person from making a contribution in the name of another person, and from knowingly permitting his name to be used to effect such a contribution. 2 U.S.C. § 441f. The Commission's regulations specifically explain that attributing a contribution to one person, when another person is the actual source of the funds used for the contribution, is an example of making a contribution in the name of another. *See* 11 C.F.R. § 110.4(b)(2)(ii).

Gerard Wit is a Senior Vice President of St. John Properties, Inc., ("SJPI") a privately-held real estate development company based in Maryland. SJPI Response at 4. During the 2006

1 election cycle, Edward St. John, president and principal owner of SJPI, recruited Gerard Wit and
2 other senior executives to make political contributions in support of Michael Steele's campaign
3 for U.S. Senate. SJPI Response at 6-7. SJPI's Controller, Lori H. Rice, routinely monitored and
4 recorded the political contributions of SJPI's senior executives and affiliated companies to avoid
5 exceeding state or federal contribution limits. Ms. Rice Affidavit ¶ 5.

6 In October 2006, Gerard Wit made a \$10,000 contribution to the MRSCC along with
7 other senior executives in response to Mr. St. John's requests. SJPI Response at 6-7. In
8 February 2007, Mr. St. John directed Ms. Rice, to include Gerard Wit's \$10,000 contribution to
9 MRSCC, as a factor in calculating his year-end bonus. The total bonus was then "grossed up" to
10 account for appropriate state and federal income taxes. Gerard Wit repaid to SJPI the
11 reimbursements of his \$10,000 MRSCC contribution in November 2007 during a pending
12 investigation by the Maryland State Prosecutor's Office regarding contributions SJPI-affiliated
13 companies made to Maryland state and local candidates. SJPI's Response at 9-10.

14 Gerard Wit was reimbursed for his \$10,000 contribution to MRSCC, and the available
15 information suggests that he expected the reimbursement.¹ While Gerard Wit and other senior
16 Vice Presidents contributors were prior political contributors, none had made a prior federal
17 contribution greater than \$2,000, with most ranging between \$250 and \$1,000. Furthermore, the
18 fact that the reimbursement was made several months after the contribution does not undermine

¹ Gerard Wit and other senior Vice Presidents were also reimbursed with corporate funds for contributions they made to a state and a local candidate. In a civil settlement with Mr. St. John that was publicized in a press release on June 13, 2008, Maryland State Prosecutor's specifically concluded that the SJPI senior Vice President contributors fully expected reimbursement of their state campaign contributions.

1 that the contribution was, in fact, reimbursed.² Finally, that the reimbursement was repaid to the
2 company by Gerard Wit does not negate the violation, particularly in this instance where the
3 repayment was influenced by an impending state investigation. Reversing the transaction is akin
4 to returning an illegal contribution; while it does constitute mitigating corrective action, it does
5 not erase the violation.³ As a result of the reimbursements, SJPI became the true source of
6 Gerard Wit's MRSCC contribution, and Gerard Wit knowingly permitted his name to be used to
7 effect a contribution in the name of another, in violation of section 441f of the Act.

8 Based on his corporate position, Gerard Wit is a senior officer of SJPI. Gerard Wit also
9 has a prior history of making political contributions. By accepting reimbursement from SJPI for
10 his \$10,000 contribution, Gerard Wit consented to the making of a corporate contribution
11 through the reimbursement in violation of 2 U.S.C. §§ 441b(a). See MUR 5818 (Fieger)
12 (Commission found probable cause to believe that a partner who was Secretary/Treasurer of a
13 law firm violated §§ 441b(a) and 441f) Commission Certification dated August 26, 2009; see
14 also MUR 5765 (Crop Production Services, Inc.) (Commission found reason to believe that a
15 Vice President, three managers, and two of their spouses violated § 441f as conduits, and
16 conciliated with the Vice President and managers but took no further action regarding the
17 spouses).

² The Commission has previously found violations of 2 U.S.C. §§ 441b(a) and 441f where employees' contributions were later reimbursed through year-end company bonuses. See, e.g., MUR 5357 (Centex Corporation) Commission Certification dated September 12, 2003 (Commission found reason to believe and later conciliated violations in which the company and its CEO violated §§ 441b(a) and 441f where employees sent copies of contribution checks to company officers, and their contributions were reimbursed in year-end bonuses).

³ See, e.g., MUR 5643 (Carter's, Inc) Commission Certification dated January 25, 2005 (Commission found reason to believe as to corporation and corporate officer who reimbursed contributions with corporate funds though the conduits had repaid the reimbursements prior to the company filing a *sua sponte* submission); MUR 5357 (Centex Corporation) Commission Certification dated September 12, 2003 (same).

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1 Therefore, there is reason to believe that Gerard Wit violated 2 U.S.C. §§ 441b(a) and
2 441f.⁴

⁴ On December 30, 2005, Gerard Wit also made a total of \$613 in the form of two contributions of \$312.50 in contributions to Steele for Maryland, Inc. that were attributed to him as a partner of two SJPI affiliates - Riverside Technology Park LLC and BWI Technology LLC. However, those contributions were made with funds from the respective partnerships and do not appear to have been reimbursed.

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Steele for Maryland, Inc.
Elizabeth S. Rubin, in her official
capacity as treasurer

MUR: 6223

I. GENERATION OF MATTER

This matter was generated by a complaint filed by Melanie Sloan and Ann Weismann, on behalf of Citizens for Responsibility and Ethics in Washington. *See* 2 U.S.C. § 437(g)(a)(1).

II. FACTUAL AND LEGAL ANALYSIS

A. Factual Background

SJPI is a privately-held real estate development company based in Maryland, which is owned by its President Edward St. John. Lawrence Maykrantz, Robert Becker, Jeffrey Gish, Stanley Meros, H. Richard Williamson, and Gerard Wit are SJPI's Senior Vice Presidents ("the Vice Presidents"). SJPI is also affiliated with, and may effectively control, several limited liability companies and partnerships, including Riverside Technology Park LLC and BWI Technology LLC. SJPI Response at 4-5.

On December 30, 2005, Riverside Technology Park LLC and BWI Technology LLC, each made a \$2,500 contribution to the Steele Committee that was apportioned between primary and general elections. SJPI Response at 5. Pursuant to the Commission's regulations for LLC contributions, the Steele Committee also attributed the LLC contributions to eight specified members – Mr. St. John, the Vice Presidents, and an additional SJPI senior executive. *See* 11 C.F.R. § 110.1(g). Accordingly, two primary election contributions in the amount of \$262.50

1 and two general election contributions in the amount of \$50 were attributed to each of eight
2 individual members.¹

3 In the summer of 2007, the Maryland State Prosecutor's Office initiated an investigation
4 into contributions by SJPI affiliated companies to state and local candidates and ultimately found
5 that the Vice Presidents' contributions to Democratic gubernatorial nominee Martin O'Malley
6 and Democratic Baltimore County Executive nominee Jim Smith were reimbursed by SJPI in
7 violation of Maryland state law. In a civil settlement that was publicized in a press release,
8 Mr. St. John admitted to civil violations for the reimbursements, agreed to pay a \$55,000 fine,
9 and donated another \$55,000 to a charitable organization.

10 The complaint in this matter was based on the reimbursements cited in the Maryland
11 State Prosecutor's press release of the state settlement, and from the complainants' review of the
12 Commission's disclosure database, which showed that the Vice Presidents made federal
13 contributions to the Steele Committee during the same time as the reimbursed state contributions.
14 Complainants allege that the Steele Committee violated 2 U.S.C. §§ 441b(a) and 441f as well as
15 11 C.F.R. §§ 110.4(b)(1)(i) and 114.2 by accepting contributions that were reimbursed with SJPI
16 funds.

17 SJPI, Mr. St. John, and the Vice Presidents all deny that the Steele Committee
18 contributions were reimbursed. The Steele Committee also denies any violations of federal law,
19 asserting that it screened the contributions pursuant to the Commission regulations at 11 C.F.R.
20 § 103.3, and that there was no information at the time to suggest that the contributions were
21 impermissible. Steele Committee Response.

¹ Although SJPI states that the contributions were attributed to eight members, the Steele Committee's April 2006 Quarterly Report show contributions from only five members - three of the Vice Presidents, Mr. St. John, and the other SJPI senior executive (Edward Okonski). It is unclear why the other three Vice Presidents' contributions were not disclosed.

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B. Legal Analysis

Under the Federal Election Campaign Act of 1971, as amended ("the Act"), corporations are prohibited from making contributions from their general treasury funds in connection with any election of any candidate for federal office. 2 U.S.C. § 441b(a). A candidate, political committee, or other person is prohibited from knowingly accepting or receiving any corporate contribution. *Id.* Furthermore, it is unlawful for any officer or director of any corporation to consent to any contribution by the corporation. *Id.*

The Act also prohibits a person from making a contribution in the name of another person, knowingly permitting his name to be used to effect such a contribution, or knowingly accepting a contribution made by one person in the name of another. 2 U.S.C. § 441f. The Commission's regulations further prohibit knowingly helping or assisting any person in making a contribution in the name of another. 11 C.F.R. § 110.4(b)(1)(iii). Those regulations specifically explain that attributing a contribution to one person, when another person is the actual source of the funds used for the contribution, is an example of making a contribution in the name of another. *See* 11 C.F.R. § 110.4(b)(2)(ii).

Based on the available information, it does not appear that the Steele Committee contributions were reimbursed, or that they were otherwise impermissible. The SJPI contributors deny that they were, and there currently is no available information to the contrary. It thus appears that the Steele Committee did not violate the Act by receiving and accepting the contributions. Therefore, the Commission finds no reason to believe that the Steele Committee violated 2 U.S.C. §§ 441b(a) or 441f and closes the file as to it.

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